



An online review of Foreign Agricultural Service initiatives and services

Programs and Opportunities

Market Development Programming Takes a New Direction— Global Broad-Based Initiatives

By Mary Ponomarenko

FAS maintains a unique, long-term partnership with U.S. agricultural, fish and forest industries, to develop overseas markets for their products. This relationship dates back to the first market development program, more than half a century ago. World markets have changed considerably since then, and the United States and its agricultural exporting industries face new and complex challenges to trade.

In recent decades, FAS market development programs have been a critical factor in familiarizing the world with high-quality U.S. products, resulting in the growth of U.S. agricultural exports. FAS strives to foster innovation to keep market development efforts relevant in today's ever-changing global marketplace.

The Evolution of GBI

Market development has been primarily a commodity group-by-commodity group effort. But since 2003, FAS has earmarked a portion of MAP (the Market Access Program) funds to encourage multi-market, cross-commodity projects that address common challenges and opportunities. FAS approved \$5.7 million to fund 24 of these GBI (global broad-based initiatives) projects in 2003 and 2004.

GBI projects involve multiple MAP participants and benefit a broad range of products in one or more markets. These innovative projects may focus on market access issues, such as the growing concerns surrounding biotechnology, SPS (sanitary and phytosanitary) requirements and food safety; market intelligence; market development; or trade capacity building. Some projects are affordable only if costs and risks are spread out over a group of industries and are more effective and efficient when there is collaboration among MAP participants and FAS staff.

How a GBI Project Begins

MAP participants submit GBI projects with their annual Unified Export Strategy applications for FAS market development programming. In contrast to typical MAP requests, these projects require much more planning and coordination with other organizations, FAS overseas offices and FAS commodity divisions.

A 12-person committee representing all FAS program areas reviews proposals and makes funding recommendations. FAS offices abroad and technical experts from other USDA agencies, such as the Animal and Plant Health Inspection Service, the Food Safety and Inspection Service and the Food and Drug Administration, also review as necessary.

Iraq's Poultry Industry

One far-reaching, ambitious GBI project set out to rebuild Iraq's commercial poultry industry. The Iraqi poultry industry had been growing in the 1980s and Iraq was a consistent importer of corn supplies, primarily from the United States. Today, Iraq's agricultural infrastructure is in disarray and commercial poultry production has dramatically decreased even as the population has steadily grown. Per capita poultry meat consumption had been 15.3 kg (1 kilogram=2.2046 pounds) in 1989 and fell to 3.2 kg in 2002.

Rebuilding the Iraqi poultry sector is critical to Iraq's economy, necessary to supply the protein requirements of its population and beneficial to U.S. trade in poultry food ingredients.

USGC (the U.S. Grains Council) and ASA (the American Soybean Association) submitted a GBI project that would help establish and develop the IPPA (Iraqi Poultry Producers Association). Such an organization is necessary to work effectively with the government to address regulations and standards; to establish commercial contacts to deal with credit and input needs; and to update management practices through training.

USGC and ASA met with key Iraqi poultry producers who represent over 80 percent of current production. They held a workshop on feed formulation and poultry disease for the Iraqi producers in Amman, Jordan. USGC and ASA sent the Iraqi steering committee to the World Poultry Expo in Istanbul, Turkey. The Istanbul visit helped the Iraqi poultry producers to see new developments in production, feeding and management. It also helped them learn how an association can be organized and become the effective voice of an industry. In addition, they visited the Moroccan Poultry Producers Association, spending two weeks studying Morocco's poultry industry. The Iraqis framed a constitution for their association, based upon the Moroccan model. In August 2004, the Iraqi Ministry of Planning officially registered the IPPA. This was a critical step to rebuilding the Iraqi poultry industry.

USGC provided grain inspection training to 20 Iraqi Ministry of Agriculture staff to help reestablish an Iraqi inspection service. The creation of the IPPA was also critical to obtain a Food for Progress program providing credit for Iraqi poultry producers to purchase supplies such as chicks, feed and vaccines to get the industry up and running.

An IPPA team visited Washington, DC, and the Poultry Exposition in Atlanta, GA, in January 2005, where they met with major companies supplying poultry breeding stock, vaccines and equipment. They also learned more about how U.S. poultry and egg associations are organized and financed, and how their programs and services help their members.

Biotechnology Market Research

Another GBI project supported biotechnology market research in Japan, Mexico, Egypt and Nigeria. The project took place from April to December 2004 with the study finalized in February 2005. This comprehensive initiative addressed important sectors in these markets, including trade, consumers and government. Qualitative and quantitative research tools were used to identify marketing constraints on U.S. biotech products.

The project was closely coordinated with FAS overseas offices as well as a broad array of MAP participants and other agricultural organizations. This research continues to help the U.S. agricultural community better understand how biotechnology is perceived in these four markets.

Chinese Regulatory Project

Another GBI project in 2004 provided training for Chinese regulatory agency officials in U.S. food safety and SPS regulations. This program involved 12 U.S. government agencies in classroom training and on-site visits.

The Chinese officials came from agencies that regulate a wide range of imported food and agricultural products from the United States, including grains, oilseeds, meats, poultry, cotton, and horticultural and processed products.

GBI projects show the virtues of collaboration.

About 25 U.S. agricultural trade groups participated in the project, including ASA, USGC, the U.S. Wheat Associates, Wine Institute, Western Wood Products Association, Northwest Horticultural Council, USDEC (U.S. Dairy Export Council), California Tree Fruit Agreement, USMEF (U.S. Meat Export Federation), USAPEEC (USA Poultry and Egg Association) and American Seed Trade Association. A better mutual understanding of U.S. and Chinese sanitary and phytosanitary systems and regulations should eventually result in fewer and less severe trade disruptions with China.

Caribbean Deli Retail Market and the Virtues of Collaboration

In the Caribbean, USDEC, USMEF and USAPEEC are collaborating on a delicatessen retail market project. This high-value product segment is a growth market in the region.

This project underscores the synergies of collaboration. Most MAP participants cannot afford to invest alone in a region as diverse and complex as the Caribbean. Working jointly, however, they can plan and implement market research and hold food safety and merchandizing seminars and trade missions. They have produced a training manual and video as part of a deli management certification program. These materials can be used throughout the region and are applicable to all cheeses and deli meats.

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The U.S. meat, poultry and dairy industries have an interest and growth potential in this high-value market segment, and the various island deli operators benefit from multiple product line contacts. The success of this project has generated interest in planning a similar project for Central America and Mexico.

Another GBI project is investigating multiple-industry interest in development and training on cold storage operations in markets where cold storage limitations constrain U.S. trade opportunities.

A GBI project in Japan is bringing together MAP participants to more effectively deal with the Japanese system for food additive approvals. Several MAP participants are also

coordinating activities to increase awareness and use of U.S. products by private voluntary organizations. Using MAP funds in these dynamic, collaborative and imaginative ways is helping FAS and U.S. agricultural trade associations leverage their resources and tackle issues with a broader approach to improve the trading climate for many U.S. agricultural products.

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